

that will be necessary to put the structure into place. Depending upon the resolution of the issues being debated in this proceeding, the SBC LECs have estimated that a minimum of six (6) months is needed after the decision in this proceeding is released. The various time estimates provided by the price cap LECs -- the parties who would actually have to implement the primary line structure -- are consistent with that estimate. Obviously, the more persons involved in implementation (other carriers, customers), the longer that implementation period may become. Thus, even if the decision in this proceeding were to be released tomorrow, the comments unanimously demonstrate that the less than three (3) months left in the year are not sufficient.

Furthermore, as various parties have explained, no price cap LEC can be reasonably expected to institute a two-tiered SLC/PICC structure until the Commission releases its decision. Adoption by a price cap LEC of its own definitions and implementation methods would undoubtedly result in two customer-affecting and -confusing changes; increased expenses, both internal (double administrative training and methods, billing system changes, customer service representative confusion) and external (customer and carrier notifications), and multiple disputes with resellers and interexchange carriers. Indeed, in light of MCI's comments and its "strict liability" approach, a price cap LEC could count on a dispute with MCI (whether acting as an interexchange carrier, a local service reseller, or both) based upon any decision that the price cap LEC might make that is different than what MCI has suggested or what the Commission ultimately adopts.

To the extent that the Commission does not modify the implementation timetable on reconsideration of the Access Charge Reform Order (assuming it does not eliminate the two-

tiered structure altogether), the Commission must be willing to entertain requests to waive the January 1, 1998, deadline.

The Commission Should Not Dictate Communications Between a Price Cap LEC and its Customers

The SBC LECs agree with those parties that the Commission should not attempt to dictate the content of communications with customers, or when, how, and how often that communication must occur. As various parties have pointed out, such a requirement would be a substantial departure from previous Commission decisions. There has not been a reasonable and sufficient explanation on the proposed change in Commission direction and, the SBC LECs submit, no basis for a change exists here. Moreover, the various problems and issues raised by the parties opposing adoption of any mandatory text or script are real, cannot be ignored, and would result in costs that would need to be recovered. Pacific Bell, for example, must provide customer notification in English and Spanish, and provide an "800" number for access to Asian translations.

If the Commission nevertheless adopts a mandated customer communication, text similar to that suggested by the Rural Telephone Coalition ("RTC") is much more preferable than the one contained in the NPRM or proposed by MCI. The RTC proposal provides the customer with more relevant information presented in a straightforward manner, along with appropriate contact numbers, the combination of which has will help minimize customer questions and the additional administrative costs that the price cap LECs will have to incur. In contrast, the other proposals might leave the customer with the erroneous impression that the SLC structure is based upon a

voluntary decision made by the serving price cap LEC. Commission rules which dictate that an price cap LEC recover its costs in a specified manner *or not at all* cannot be squared with the impression left by the proposed use of "The Federal Communications Commission allows . . ."

To the extent that customers are upset, confused, or otherwise wish to speak with someone about the structure, the "cost causer" should be fielding those calls.

Finally, the position of MCI is interesting. As the Commission will recall, MCI asserted its first amendment rights in addressing the prohibition on the use of the term "surcharge" associated with the recovery of federal universal service contributions. See MCI's "Petition for Reconsideration and Clarification," pp. 11, 12, filed on July 17, 1997, in *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45. Here, where MCI would not be subject to the proposed requirement, MCI is not at all troubled by any first amendment implications and is instead urging the Commission to mandate communication of government-approved content. The suggestion of mandatory language is no less a first amendment issue than the Commission prohibition against the use of a single word. The price cap LECs have the constitution right of free speech, including the rights to communicate truthfully with its customers and to be free from government interference with that speech (including by mandated communication). The Commission should thus decline to adopt any dictated and mandated communication.

Line-Level Information Should Not Be Required to Be Provided to Other Carriers

The SBC LECs are opposed to providing carriers with line-level detail for each billed telephone number, including all other telephone numbers associated with the billed telephone number as has been suggested. MCI Comments, p. 10; Sprint Comments, p. 9. For example,

Sprint claims that line-level bill detail must be conveyed so that interexchange carriers ("IXCs") can verify PICC billings. Providing such detailed billing every month would be onerous and costly for price cap LECs. Some level of detail will be necessary to settle disputes, but aggregation to the NPA-NXX level on an as-needed basis is sufficient. If the provisioning of customer-by-customer detail is mandated, however, price cap LECs must be able to recover the additional costs of providing the information from the carrier receiving it.

Moreover, the Commission cannot lose sight that MCI, Sprint, and other IXCs (or their affiliates) are or will be competing against the price cap LEC for the same local service customers. Requiring such line-level detail would provide actual and potential competitors with extremely sensitive competitive customer-specific information. Such information would be very valuable, especially inasmuch as new entrants are expected to attempt to win over hesitant potential customers by first providing additional, "non-primary" lines. If this detailed information is provided, the use restrictions and limitations imposed on such CPNI by 47 U.S.C. § 222 and applicable Commission rules must be strictly enforced against those carriers receiving the information. Otherwise, the information could be used to implement that strategy and begin targeting a price cap LEC's end-user customers with multiple lines.

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October 9, 1997

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "REPLY OF SOUTHWESTERN BELL TELEPHONE COMPANY" in CC Docket No.97-181 has been filed this 9th day of October, 1997 to the Parties of Record.

A handwritten signature in black ink, reading "Katie M. Turner". The signature is written in a cursive style with a horizontal line underneath the name.

Katie M. Turner

October 9, 1997

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